

Verify.

20 tasks that will help you assess audit readiness.

Process review

- Determine accounting system used (Oracle, Quickbooks, etc.)
- Discuss company's closing process
- Determine how many days it takes to close the books
- Read management financials for latest closed period

Technical accounting issues

- Identify and list technical accounting issues
- Ascertain company's position on issues
- Make preliminary assessment regarding work required

Account analysis

- Go through accounts with company's accounting person
- Determine what is done/should be done with each account
- Determine how many hours each step takes

Other accounting

- Examine capitalization table
- Inquire about equity process and completeness
- Inquire about nature of issuances
- Discuss company's process for non-booked accounts (Tax provision, share based compensation, etc.)
- Determine how many hours it takes to perform these steps

Financial statement preparation

- Read most recent external financial statements
- Note any major deficiencies (lack of footnotes, etc.)
- Determine how much time it will take to conform to GAAP

SEC filings (if applicable)

- MD&A - Discuss company's existing policy for variance analysis
- Determine how many hours it takes/would take

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